



# *interim* FINANCIAL REPORT

For the 26 weeks ended  
29 December 2019  
(prior period 26 weeks ended  
23 December 2018)

*Beacon*  
LIGHTING

Beacon Lighting Group Limited ACN 164 122 785

# Contents

Directors' Report	1
Auditor's Independence Declaration	4
Consolidated Statement of Comprehensive Income	6
Consolidated Balance Sheet	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	11
Directors' Declaration	24
Independent Auditor's Review Report to the Members of Beacon Lighting Group Limited	25
Corporate Directory	29



# Directors' Report

The Directors of Beacon Lighting Group Limited (the Company) present the interim report for the Company and its controlled entities for the 26 weeks ended 29 December 2019.

## 1. DIRECTORS

The names of the Company's Directors in office during the 26 weeks ended 29 December 2019 and until the date of this report are as below. All Directors were in office for the entire period.

<b>Ian Robinson</b>	Executive Chairman	<b>Eric Barr</b>	Deputy Chairman, Non-Executive Director
<b>Neil Osborne</b>	Non-Executive Director	<b>Glen Robinson</b>	Director, Chief Executive Officer

## 2. REVIEW OF OPERATIONS

For the 26 weeks ended 29 December 2019, the Beacon Lighting Group achieved a statutory Net Profit After Tax (NPAT) result of \$12.7 million. The statutory result benefited from the profit recognised on the sale and leaseback of the Parkinson Distribution Centre and to a lesser extent, by the implementation of AASB 16 Lease Accounting. These profits were partially offset by losses incurred during the closure of Beacon Energy Solutions.

A reconciliation of the Beacon Lighting Group statutory result to the underlying result for the 26 weeks ending 29 December 2019 is presented in the following table:

\$'000	Statutory H1 FY2020	Less BES <sup>(1)</sup>	Less PDC Sale <sup>(2)</sup>	Less AASB 16 <sup>(3)</sup>	Underlying H1 FY2020 <sup>(a)</sup>
Sales	123,609	499	-	-	123,110
Gross Profit	77,480	(2,155)	-	-	79,635
Other Income	8,361	-	7,780	-	581
Operating Expenses <sup>(4)</sup>	(52,654)	(1,135)	-	12,214	(63,733)
EBITDA <sup>(a)</sup>	33,187	(3,290)	7,780	12,214	16,483
EBIT <sup>(a)</sup>	21,240	(3,297)	7,780	2,519	14,238
Net Profit After Tax	12,664	(2,301)	5,446	496	9,023

(1) BES was the Beacon Energy Solutions result for H1 FY2020

(2) PDC Sale was the sale of the Parkinson Distribution Centre in H1 FY2020. Under the sale and leaseback accounting rules, the cash flow profit before tax was \$13.5 million and the realised pre tax profit was \$7.8 million. The remaining \$5.7 million will be realised as a reduction in AASB 16 depreciation over the first term of lease

(3) AASB 16 was for the introduction of AASB 16 Lease Accounting in H1 FY2020

(4) Operating Expenses exclude depreciation, amortisation and finance costs

A reconciliation of the Beacon Lighting Group statutory result to the underlying result for the 26 weeks ending 23 December 2018 is presented in the following table:

\$'000	Statutory H1 FY2019	Less BES <sup>(1)</sup>	Underlying H1 FY2019 <sup>(a)</sup>
Sales	128,296	5,497	122,799
Gross Profit	83,239	1,308	81,931
Other Income	816	-	816
Operating Expenses <sup>(2)</sup>	(64,278)	(1,108)	(63,170)
EBITDA <sup>(a)</sup>	19,777	200	19,577
EBIT <sup>(a)</sup>	17,574	193	17,381
Net Profit After Tax	11,646	144	11,502

(1) BES was the Beacon Energy Solutions result for H1 FY2019

(2) Operating Expenses exclude depreciation, amortisation and finance costs

(a) The Group's results are reported under International Financial Report Standards (IFRS) as issued by the International Accounting Standards Board. The Group discloses certain non-IFRS measures in this Directors' Report, that are not audited or reviewed by the Group's auditor. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the Group. Non IFRS measures have been reconciled to the Financial Statements above

Excluding the impact of the Parkinson Distribution Centre sale, AASB 16 Lease Accounting and the closure of Beacon Energy Solutions, the Beacon Lighting Group achieved the following underlying trading results for the 26 weeks ending 29 December 2019:

- Sales revenue was \$123.1 million compared to \$122.8 million for the same period last year.
- Gross profit was \$79.6 million compared to \$81.9 million for the same period last year. As a percentage of sales, the gross profit margin was 64.7% compared to 66.7% for the same period last year.
- Total operating expenses were \$63.7 million compared to \$63.2 million for the same period last year. As a percentage of sales, the operating expenses were 51.8% compared to 51.4% for the same period last year.
- The EBITDA was \$16.5 million compared to \$19.6 million for the same period last year. As a percentage of sales, EBITDA was 13.3% compared to 15.9% of sales for the same period last year.
- The NPAT was \$9.0 million compared to \$11.5 million for the same period last year. As a percentage of sales, NPAT was 7.3% of sales compared to 9.3% for the same period last year.

During the 26 weeks ended 29 December 2019, the Beacon Lighting Group purchased the Myaree (WA) franchise store and converted it into a company store. The Group also purchased Custom Lighting (VIC), an up-market lighting design store. The Beacon Lighting company stores at Sunshine (VIC) and Mandurah (WA) were also closed during this period.

### 3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the business during the 26 weeks ended 29 December 2019.

### 4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

### 5. ROUNDING OF AMOUNTS

The Group has relied on the relief provided by ASIC Corporations Instrument 2016/191, and in accordance with that Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of Directors,

A handwritten signature in black ink, appearing to read 'Ian Robinson'.

**Ian Robinson**  
Executive Chairman

A handwritten signature in black ink, appearing to read 'Glen Robinson'.

**Glen Robinson**  
Chief Executive Officer

Melbourne, 19 February 2020





# Auditor's Independence Declaration



## *Auditor's Independence Declaration*

As lead auditor for the review of Beacon Lighting Group Limited for the period ended 29 December 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beacon Lighting Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'JP'.

Jason Perry  
Partner  
PricewaterhouseCoopers

Melbourne  
19 February 2020

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# Index to the Financial Statements

<b>Consolidated Statement of Comprehensive Income</b>	<b>6</b>	8 Current Borrowings	14
<b>Consolidated Balance Sheet</b>	<b>7</b>	9 Current Provisions	15
<b>Consolidated Statement of Changes in Equity</b>	<b>8</b>	10 Non Current Borrowings	16
<b>Consolidated Statement of Cash Flows</b>	<b>9</b>	11 Non Current Provisions	16
<b>Notes to the Financial Statements</b>		12 Lease Liabilities	17
1 Summary of Significant Accounting Policies	11	13 Contributed Equity	20
2 Segment Information	11	14 Contractual Maturities of Financial Liabilities	21
3 Profit and Loss Information	12	15 Dividends	22
4 Fair Value Measurement of Financial Instruments	12	16 Income Tax	22
5 Property, Plant and Equipment	13	17 Contingencies	22
6 Intangible Assets	13	18 Commitments	22
7 Trade and Other Payables	14	19 Events Occurring After the Reporting Period	22

This interim financial report is the consolidated financial report of the consolidated entity consisting Beacon Lighting Group Limited, ACN 164 122 785 and its subsidiaries. Beacon Lighting Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 5 Bastow Place Mulgrave Victoria 3170. The financial report was authorised for issue by the directors on 19 February 2020.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 26 weeks ended 29 December 2019 and the 26 weeks ended 23 December 2018.  
Beacon Lighting Group and its controlled entities.

Consolidated Entity	Notes	29 December 2019 \$'000	23 December 2018 \$'000
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Revenue from contracts with customers		123,609	128,296
Other revenue		467	755
		124,076	129,051
Other Income		7,894	61
<b>EXPENSES</b>			
Cost of sales of goods		(46,129)	(45,057)
Marketing		(7,040)	(7,052)
Selling and distribution		(48,995)	(50,915)
General and administration		(8,566)	(8,514)
Finance costs		(3,150)	(946)
<b>PROFIT BEFORE INCOME TAX</b>		18,091	16,628
Income tax expense	16	(5,427)	(4,982)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY</b>		12,664	11,646
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be reclassified to profit or loss</b>			
Changes in the fair value of derivatives		59	(128)
Exchange differences on translation of foreign operations		180	197
Income tax relating to these items		(72)	(21)
<b>Other comprehensive income for the period, net of tax</b>		167	48
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY</b>		12,830	11,694
<b>EARNINGS PER SHARE FOR THE PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		5.77	5.36
Diluted earnings per share		5.76	5.35

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



## CONSOLIDATED BALANCE SHEET

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

Consolidated Entity	Notes	December 2019 \$'000	June 2019 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		32,789	18,305
Trade and other receivables		8,671	12,053
Inventories		75,561	68,698
Other current assets		2,122	2,277
<b>Total current assets</b>		<b>119,143</b>	<b>101,333</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	32,801	46,009
Deferred tax assets		14,231	5,834
Intangible assets	6	12,963	11,646
Right of use asset	12	93,025	-
Other non-current assets		1,389	-
<b>Total non-current assets</b>		<b>154,409</b>	<b>63,489</b>
<b>Total assets</b>		<b>273,552</b>	<b>164,822</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	17,152	17,848
Borrowings	8	33,121	31,054
Derivative financial instruments	4	608	649
Provisions	9	7,814	7,667
Current tax liabilities		5,165	658
Lease liabilities	12	23,425	426
<b>Total current liabilities</b>		<b>87,285</b>	<b>58,302</b>
<b>Non-current liabilities</b>			
Borrowings	10	7,400	18,944
Provisions	11	843	3,881
Lease liabilities	12	95,597	515
<b>Total non-current liabilities</b>		<b>103,840</b>	<b>23,340</b>
<b>Total liabilities</b>		<b>191,125</b>	<b>81,642</b>
<b>Net assets</b>		<b>82,427</b>	<b>83,180</b>
<b>EQUITY</b>			
Contributed equity	13	69,276	68,229
Other reserves		(43,290)	(43,333)
Retained earnings		56,441	58,284
<b>Total equity</b>		<b>82,427</b>	<b>83,180</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 26 weeks ended 29 December 2019 and the 26 weeks ended 23 December 2018.  
Beacon Lighting Group and its controlled entities.

Consolidated Entity	Notes	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 24 June 2018</b>		<b>65,690</b>	<b>(42,587)</b>	<b>53,226</b>	<b>76,329</b>
Profit for the period		-	-	11,646	11,646
Other comprehensive income		-	48	-	48
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>48</b>	<b>11,646</b>	<b>11,694</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend re-investment plan issues		1,093	-	-	1,093
Employee share scheme		-	122	-	122
Dividends provided for or paid	15	-	-	(5,429)	(5,429)
Total contributions by and distributions to owners		<b>1,093</b>	<b>122</b>	<b>(5,429)</b>	<b>(4,214)</b>
<b>Balance as at 23 December 2018</b>		<b>66,783</b>	<b>(42,417)</b>	<b>59,443</b>	<b>83,809</b>
<b>Balance at 30 June 2019</b>		<b>68,229</b>	<b>(43,333)</b>	<b>58,284</b>	<b>83,180</b>
Adjustment for change in accounting policy	12	-	-	(10,123)	(10,123)
<b>Restated balance 1 July 2019</b>		<b>68,229</b>	<b>(43,333)</b>	<b>48,161</b>	<b>73,057</b>
Profit for the period		-	-	12,664	12,664
Other comprehensive income		-	167	-	167
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>167</b>	<b>12,664</b>	<b>12,830</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividend re-investment plan issues	13	1,047	-	-	1,047
Employee share scheme		-	(31)	-	(31)
Treasury share reserve		-	(93)	-	(93)
Dividends provided for or paid	15	-	-	(4,384)	(4,384)
Total contributions by and distributions to owners		<b>1,047</b>	<b>(124)</b>	<b>(4,384)</b>	<b>(3,461)</b>
<b>Balance as at 29 December 2019</b>		<b>69,276</b>	<b>(43,290)</b>	<b>56,441</b>	<b>82,427</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the 26 weeks ended 29 December 2019 and the 26 weeks ended 23 December 2018.  
Beacon Lighting Group and its controlled entities.

Consolidated Entity	Notes	29 December 2019 \$'000	23 December 2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of goods and services tax)		139,775	140,142
Payments to suppliers and employees (inclusive of goods and services tax)		(115,906)	(118,883)
Interest received		121	-
Borrowing costs		(3,150)	(946)
Income taxes paid		(3,292)	(5,453)
<b>Net cash inflow from operating activities</b>		<b>17,548</b>	<b>14,860</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(3,918)	(4,579)
Payments for acquisitions		(1,214)	(658)
Proceeds from sale of property, plant and equipment		28,000	6
<b>Net cash inflow / (outflow) from investing activities</b>		<b>22,868</b>	<b>(5,231)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment)/Proceeds from borrowings (net)		(10,215)	7,087
Payments for principal portion of lease liabilities		(12,379)	-
Dividends paid to Company's shareholders	15	(3,338)	(4,336)
<b>Net cash (outflow) / inflow from financing activities</b>		<b>(25,932)</b>	<b>2,751</b>
<b>Net increase in cash and cash equivalents</b>		<b>14,484</b>	<b>12,380</b>
Cash and cash equivalents at the beginning of the financial year		18,305	10,671
<b>Cash and cash equivalents at end of period</b>		<b>32,789</b>	<b>23,051</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.





## NOTES TO THE FINANCIAL STATEMENTS

### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of this consolidated financial report is set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report is for the consolidated entity consisting of Beacon Lighting Group Limited and its subsidiaries.

#### Basis of preparation

This condensed consolidated interim financial report for the 26 weeks ended 29 December 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the 53 weeks ended 30 June 2019 and any public announcements made by Beacon Lighting Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. Except for the adoption of the new and amended accounting standards as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at the end of the 53 weeks ended 30 June 2019.

The changes in the accounting policies described below are also expected to be reflected in the Group's consolidated financial statements as at and for the 52 weeks ending 28 June 2020.

#### (a) New, revised or amended accounting standards and interpretations adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make adjustments to retained earnings as a result of adopting AASB 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 12 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

#### (b) Historical cost convention

This interim financial report has been prepared in accordance with the historical cost convention. Comparative information is reclassified where appropriate to enhance comparability.

### 2 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker for Beacon Lighting Group Limited and its controlled entities (the Group), is the Chief Executive Officer (CEO). The Group determines operating segments based on information provided to the CEO in assessing performance and determining the allocation of resources within the Group. Consideration is given to the manner in which products are sold, nature of the products supplied, the organisational structure and the nature of customers.

Reportable segments are based on the aggregated operating segments determined by the manner in which products are sold, similarity of products, nature of the products supplied, the nature of customers and the methods used to distribute the product. The Group purchases goods in USD for sales into Australia. The Group's one reportable segment is the selling of light fittings, fans and energy efficient products.





## NOTES TO THE FINANCIAL STATEMENTS

### 3 Profit and Loss Information

#### Significant Items

Profit for the 26 weeks includes the following items that are unusual because of their nature, size or incidence:

Consolidated Entity	December 2019 \$'000	December 2018 \$'000
Gain on sale of freehold land and building (included in other income)	7,780	-
Losses attributable to closure of Beacon Energy Solutions	(3,300)	-

### 4 Fair Value Measurement of Financial Instruments

#### Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's financial assets and financial liabilities measured and recognised at fair value at 29 December 2019, on a recurring basis.

At 29 December 2019	Level 2 \$'000	Total \$'000
<b>Derivatives used for hedging – Net Position</b>	<b>(608)</b>	<b>(608)</b>

  

At 30 June 2019	Level 2 \$'000	Total \$'000
Derivatives used for hedging – Net Position	(649)	(649)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

All of the resulting fair value adjustments are included in level 2.

There are no financial assets and liabilities in Level 1 and Level 3, and there are no transfers between the levels.

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 5 Property, Plant and Equipment

Consolidated Entity	Furniture, Fittings and Equipment \$'000	Vehicles \$'000	Land and Buildings \$'000	Total \$'000
<b>At 30 June 2019</b>				
Cost	52,820	3,530	12,588	68,938
Accumulated depreciation	(21,113)	(1,797)	(19)	(22,929)
<b>Net book amount</b>	<b>31,707</b>	<b>1,733</b>	<b>12,569</b>	<b>46,009</b>
<b>Half Year ended 29 December 2019</b>				
Opening net book amount	31,707	1,733	12,569	46,009
Additions	1,367	118	2,433	3,918
Disposals	(934)	-	(13,299)	(14,233)
Adjustment for change in accounting policy – see note 12	(510)	(144)	-	(654)
Depreciation charge	(2,029)	(178)	(32)	(2,239)
<b>Closing net book amount</b>	<b>29,601</b>	<b>1,529</b>	<b>1,671</b>	<b>32,801</b>
<b>At 29 December 2019</b>				
Cost	52,328	3,495	1,673	57,496
Accumulated depreciation	(22,727)	(1,966)	(2)	(24,695)
<b>Net book amount</b>	<b>29,601</b>	<b>1,529</b>	<b>1,671</b>	<b>32,801</b>

### 6 Intangible Assets

Consolidated Entity	Goodwill \$'000	Patents, trademarks and other rights \$'000	Total \$'000
<b>At 30 June 2019</b>			
Cost	11,446	500	11,946
Accumulated amortisation and impairment	-	(300)	(300)
<b>Net book amount</b>	<b>11,446</b>	<b>200</b>	<b>11,646</b>
<b>At 29 December 2019</b>			
Cost	12,773	500	13,273
Accumulated amortisation and impairment	-	(310)	(310)
<b>Net book amount</b>	<b>12,773</b>	<b>190</b>	<b>12,963</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 7 Trade and Other Payables

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
Trade payables	8,554	6,568
Customer deposits	2,778	3,300
Sundry creditors	4,324	6,168
Marketing fund	786	1,087
Other payables	710	725
	17,152	17,848

#### Fair Value

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

### 8 Current Borrowings

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
<b>Secured</b>		
Inventory finance	32,821	30,754
Loan facility floating rate	300	300
	33,121	31,054



## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 9 Current Provisions

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
Employee benefits	6,322	6,079
Warranty provision (a)	1,327	1,452
Other provisions (b)	165	136
	7,814	7,667

#### (a) Warranty provision

The Group generally offers 12 months warranty on its products. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest claims could differ from historical amounts.

#### Movement in warranty provision

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
Carrying amount at the start of the period	1,452	1,468
Charged to profit or loss - amount incurred and charged	(125)	(16)
<b>Carrying amount at end of period</b>	<b>1,327</b>	<b>1,452</b>

#### (b) Other provisions

Other provisions are minor in nature at the end of the reporting period.

#### Movement in other provisions

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
Carrying amount at the start of the period	136	131
Charged to profit or loss - amount incurred and charged	311	571
Amounts used during the period	(282)	(566)
<b>Carrying amount at end of period</b>	<b>165</b>	<b>136</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 10 Non Current Borrowings

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
Secured		
Loan facility floating rate	7,400	18,944

### 11 Non Current Provisions

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
Lease liabilities	-	2,987
Employee benefits	843	894
	843	3,881





## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 12 Changes in accounting policies

This note explains the impact of the adoption of AASB 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019 in note 12(b) below.

The Group has adopted AASB 16 retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

#### (a) Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3.631%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date. The re-measurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

	\$'000
<b>Operating lease commitments disclosed as at 30 June 2019</b>	<b>103,192</b>
Discounted using the lessee's incremental borrowing rate of at the date of initial application	93,932
Add: finance lease liabilities recognised as at 30 June 2019	941
Add: adjustments as a result of different assumptions related to option periods	10,380
<b>Lease liability recognised as at 1 July 2019</b>	<b>105,253</b>
Of which are:	
Current lease liabilities	21,679
Non-current lease liabilities	83,574

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

The recognised right-of-use assets relate to the following types of assets:

Consolidated Entity	29 December 2019 \$'000	1 July 2019 \$'000
Properties	92,370	83,773
Fixed assets – equipment and vehicles	655	-
<b>Total right-of-use assets</b>	<b>93,025</b>	<b>83,773</b>

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

	\$'000
right-of-use assets increased by	83,774
current lease receivables increased by	458
non current lease receivables increased	2,659
current lease liabilities increased by	21,679
non current lease liabilities increased by	83,574
non current provisions decreased by	2,987
deferred tax assets increased by	5,505
net impact on retained earnings on 1 July 2019 was a decrease of	10,123

### Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease.

### (b) Accounting policy

The Group leases various offices, warehouses and retail stores. Rental contracts are typically made for fixed periods of 7 to 14 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the financial year ended June 2019, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

### *Extension and termination options*

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

### *Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 13 Contributed Equity

Consolidated Entity	December 2019 Shares	June 2019 Shares
Number of ordinary shares, fully paid	220,199,961	219,214,930

Consolidated Entity	December 2019 Shares	June 2019 Shares
<b>Movements in the number of ordinary shares</b>		
Balance at the beginning of the period	219,214,930	217,162,678
Dividend re-investment plan issue	985,031	2,052,252
<b>Balance at the end of the period</b>	<b>220,199,961</b>	219,214,930

Consolidated Entity	December 2019 \$'000	June 2019 \$'000
<b>Movements in ordinary share capital</b>		
Balance at the beginning of the period	68,229	65,690
Dividend re-investment plan issue	1,047	2,539
<b>Balance at the end of the period</b>	<b>69,276</b>	68,229

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held.

All shares carry one vote per share.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

#### Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistently with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (borrowings less cash) divided by total equity.

## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 14 Contractual Maturities of Financial Liabilities

Consolidated Entity	Less Than 6 Months \$'000	6-12 Months \$'000	Between 1 and 5 Years \$'000	Over 5 Years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount (Assets) / Liabilities \$'000
<b>Non Derivatives</b>						
Trade and other payables	19,386	-	-	-	19,386	19,386
Borrowings	33,125	300	7,924	-	41,349	40,221
Lease liabilities	-	23,425	95,597	-	119,022	118,983
<b>Total non derivatives</b>	<b>52,510</b>	<b>23,725</b>	<b>103,521</b>	<b>-</b>	<b>179,756</b>	<b>118,983</b>
<b>Derivatives</b>						
Forward exchange contracts	(73)	-	-	-	(73)	(73)
Interest rate swap contract	(535)	-	-	-	(535)	(535)
<b>Net settled cash flow hedges</b>	<b>(608)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(608)</b>	<b>(608)</b>





## NOTES TO THE FINANCIAL STATEMENTS

As at 29 December 2019 and as at 30 June 2019. Beacon Lighting Group and its controlled entities.

### 15 Dividends

Consolidated Entity	29 December 2019 \$'000	23 December 2018 \$'000
Total dividends provided for or paid during the half year	4,384	5,429

#### **Dividend reinvestment plan**

The Group has established a dividend reinvestment plan under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 5% discount to the market price.

### 16 Income Tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the 26 weeks ended 29 December 2019 is 30%, compared to 30% for the 26 weeks ended 23 December 2018.

### 17 Contingencies

There were no significant or material legal claims at 29 December 2019.

### 18 Commitments

There has been no significant change to the substance or value of commitments to those disclosed in the 30 June 2019 financial report.

### 19 Events Occurring After the Reporting Period

Other than the items described below, there has been no other matter or circumstance that has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial periods.

- A fully franked interim dividend of \$0.0260 was declared on 19 February 2020.





# Directors' Declaration

In the opinion of the Directors:

- (a) the Financial Statements, notes and the additional disclosures set out on pages 5 to 22 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 29 December 2019 and of its performance for the 26 weeks period ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



**Ian Robinson**  
Executive Chairman

Melbourne, 19 February 2020



**Glen Robinson**  
Chief Executive Officer



## **Independent auditor's review report to the members of Beacon Lighting Group Limited**

### ***Report on the Interim Financial Report***

We have reviewed the accompanying interim financial report of Beacon Lighting Group Limited (the Company) and the entities it controlled during the period (together the Group), which comprises the consolidated balance sheet as at 29 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, selected other explanatory notes and the directors' declaration.

### ***Directors' responsibility for the interim financial report***

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 29 December 2019 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Beacon Lighting Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Beacon Lighting Group Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 29 December 2019 and of its performance for the period ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in dark ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to be 'JP', in a cursive script.

Jason Perry  
Partner

Melbourne  
19 February 2020







# Corporate Directory

## DIRECTORS

<b>Ian Robinson</b>	Executive Chairman
<b>Glen Robinson</b>	Chief Executive Officer
<b>(James) Eric Barr</b>	Deputy Chairman
<b>Neil Osborne</b>	Non-Executive Director

---

## COMPANY SECRETARY

Tracey Hutchinson

---

## REGISTERED OFFICE

5 Bastow Place  
Mulgrave  
Victoria

---

## WEBSITE

### Corporate site

[www.beaconlightinggroup.com.au](http://www.beaconlightinggroup.com.au)

### Retail site

[www.beaconlighting.com.au](http://www.beaconlighting.com.au)

### Other business websites

[www.beaconlightingtradeclub.com.au](http://www.beaconlightingtradeclub.com.au)  
[www.beaconenergysolutions.com.au](http://www.beaconenergysolutions.com.au)  
[www.beaconlightingcommercial.com.au](http://www.beaconlightingcommercial.com.au)  
[www.beaconinternational.com](http://www.beaconinternational.com)  
[www.fanaway.com](http://www.fanaway.com)  
[www.lucciair.com](http://www.lucciair.com)  
[www.lightsourcesolutions.com.au](http://www.lightsourcesolutions.com.au)  
[www.lightsourcesolutions.co.nz](http://www.lightsourcesolutions.co.nz)  
[www.beaconlighting.us](http://www.beaconlighting.us)  
[www.beaconlighting.eu](http://www.beaconlighting.eu)  
[www.massonforlight.com.au](http://www.massonforlight.com.au)  
[www.customlighting.com.au](http://www.customlighting.com.au)

## LEGAL ADVISORS

Baker & McKenzie  
Level 19  
181 William Street  
Melbourne  
Victoria

---

## AUDITORS

PricewaterhouseCoopers  
2 Riverside Quay  
Southbank  
Victoria

---

## SHARE REGISTRY

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford  
Victoria

---

## STOCK EXCHANGE LISTING

Beacon Lighting Group Limited (BLX)  
shares are listed on the ASX

# Store Locations

## VIC

**Abbotsford**  
250 Hoddle St

**Ballarat**  
Wendouree  
Homemaker Centre  
333 Gillies St

**Balwyn North**  
304 Doncaster Rd

**Bayswater**  
216 Canterbury Rd  
Bayswater Nth

**Bendigo**  
285 High St  
Kangaroo Flat

**Burwood**  
110 Burwood Hwy

**Camberwell**  
347 Camberwell Rd

**Chirnside Park**  
Showroom Centre  
286 Maroondah Hwy

**Coburg**  
Lincoln Mills  
Homemaker Centre  
64-74 Gaffney St

**Craigieburn**  
440 Craigieburn Rd

**Cranbourne**  
Cranbourne Home  
Cnr Sth Gippsland Hwy  
& Thompsons Rd

**Essendon DFO**  
Homemaker Hub  
120 Bulla Rd  
Strathmore

**Fountain Gate**  
Casey Lifestyle Centre  
430 Princes Hwy

**Frankston**  
22 McMahons Rd

**Geelong**  
354 Melbourne Rd

**Heidelberg**  
2-4 Dora St

**Hoppers Crossing**  
283 Old Geelong Rd

**Maribyrnong**  
Harvey Norman Centre  
169 Rosamond Rd

**Mentone**  
27-29 Nepean Hwy

**Moorabbin**  
867 Nepean Hwy

**Nunawading**  
262 Whitehorse Rd

**Oakleigh**  
1402-1404 Dandenong Rd

**Pakenham**  
Lifestyle Centre  
825 Princes Hwy

**Preston**  
23 Bell St

**Scoresby**  
1391 Ferntree Gully Rd

**South Melbourne**  
50-56 York St

**South Morang**  
825 Plenty Rd

**Springvale**  
IKEA Homemaker Centre  
917 Princes Hwy

**St Kilda**  
366 St Kilda Rd

**Thomastown**  
Homemaker Centre  
Cnr Dalton and  
Settlement Rds

**Warrnambool**  
14, 1-49 Raglan St

**Watergardens**  
Homemaker Centre  
440 Keilor-Melton Hwy  
Taylors Lakes

**Waurm Ponds**  
Homemaker Centre  
235 Colac Rd  
(Princes Hwy)

## NSW

**Albury Wodonga**  
Harvey Norman Centre  
94 Borella Rd  
Albury

**Alexandria**  
Style Homemaker Centre  
Cnr O'Riordan  
& Doody Sts

**Artarmon**  
Home HQ North Shore  
Cnr Reserve Rd  
& Frederick St

**Bankstown**  
Home Central  
9 - 67 Chapel Rd South

**Belrose**  
Supa Centa Belrose  
4-6 Niangala Cl

**Brookvale**  
577-579 Pittwater Rd

**Carlton**  
367 Princes Hwy

**Campbelltown**  
Homebase  
24 Blaxland Rd

**Castle Hill**  
Home Hub Hills  
Cnr Victoria & Hudson Ave

**Crossroads**  
Homemaker Centre  
Parkers Farm Place  
Casula

**Crows Nest**  
118 Falcon St

**Gladesville**  
Wharf Sqaure  
8 Wharf Rd

**Gosford West**  
Hometown  
356 Manns Rd

**Hornsby**  
Cnr Pacific Hwy  
& Yardley Ave  
Waitara

**Killara**  
694 Pacific Hwy

**Kotara**  
Kotara Home  
108 Park Ave

**Lake Haven**  
Home Mega Centre  
Cnr Pacific Hwy  
& Lake Haven Drv

**Marsden Park**  
Home Hub  
Hollinsworth Rd

**McGraths Hill**  
Home Central  
264-272 Windsor Rd

**Mittagong**  
Highlands  
Homemaker Centre  
205 Old Hume Hwy

**Moore Park**  
Supa Centa Moore Park  
Cnr Sth Dowling St  
& Todman Ave

**Parramatta**  
Cnr Church and  
Daking Sts

**Penrith**  
Homemaker Centre  
2 Patty's Place

**Port Macquarie**  
180 Lake Rd

**Prospect**  
Homebase  
19 Stoddart Rd

**Rutherford**  
Harvey Norman Centre  
366 New England Hwy

**Shellharbour**  
146 New Lake  
Entrance Rd

**Taren Point**  
105 Parraweena Rd

**Warners Bay**  
Warners Bay Home  
240 Hillsborough Rd

## ACT

**Fyshwick**  
175 Gladstone St

**Gungahlin**  
14/5 Hibberson St

## QLD

---

### Bundall

61 Upton St

### Burleigh Stockland Centre

177-207 Reedy  
Creek Rd

### Cairns

331 Mulgrave Rd

### Cannon Hill Homemaker Centre

1881 Creek Rd

### Capalaba Freedom Home Centre

67 Redland Bay Rd

### Carseldine Homemaker Centre

1925 Gympie Rd  
Bald Hills

### Fortitude Valley Homemaker City North

111 McLachlan St

### Helensvale

Homeworld  
502 Hope Island Rd

### Hervey Bay

140 Boat Harbour Drv

### Ipswich

Ipswich Riverlink  
Shopping Centre  
Cnr The Terrace  
& Downs Sts

### Jindalee Homemaker City

182 Sinnamon Rd

### Kawana

2 Eden St  
Minyama

### Macgregor

550 Kessels Rd

### Mackay

2/2 Heaths Rd

### Maroochydore

Sunshine Homemaker  
Centre  
72 Maroochydore Rd

### Morayfield

Supa Centre  
344 Morayfield Rd

### Noosa

Noosa Civic  
Eenie Creek Rd

### Northlakes

Primewest Northlakes  
Cnr Northlakes Drv  
Mason St  
& Stapylton St

### Rockhampton

Red Hill  
Homemaker Centre  
Cnr Yaamba &  
Richardson Rds

### Southport

Bunnings Complex  
542 Olsen Ave

### Toowoomba

Harvey Norman Centre  
910 Ruthven St

### Townsville - Fairfield

Homemaker Centre  
1 D'Arcy Dr  
Idalia

### Townsville - Garbutt

Mega Centre  
Cnr Dalrymple Rd  
& Duckworth St

### Underwood Homemaker HQ

1-21 Kingston Rd

### Windsor Homemaker City

190 Lutwyche Rd

## WA

---

### Baldivis

Safety Bay Rd

### Bunbury

Homemaker Centre  
42 Strickland St

### Cannington

21 William St

### Clarkson

Ocean Keys  
Homemaker Centre  
61 Key Largo Drv

### Claremont

201-207 Stirling Hwy

### Jandakot

South Central  
Cockburn  
87 Armadale Rd

### Joondalup

3 Sundew Rise

### Malaga

Home Centre  
655 Marshall Rd

### Mandurah Home City

430 Pinjarra Rd

### Midland

Midland Central  
Cnr Clayton & Lloyd Sts

### Myaree

Melville Square  
Cnr Leach Hwy  
& Norma Rd

### Osborne Park

Hometown  
381 Scarborough Beach Rd

## SA

---

### Churchill

Churchill Centre South  
252 Churchill Rd  
Kilburn

### Gepps Cross

Home HQ  
750 Main North Rd

### Melrose Park

Melrose Plaza  
1039 South Rd

### Mile End

Mile End Home  
121 Railway Tce

### Modbury

985 North East Rd

### Munno Para

Harvey Norman Centre  
600 Main North Rd  
Smithfield

### Noarlunga

Harvey Norman Centre  
2 Seaman Dr

## NT

---

### Darwin

Homemaker Village  
356-362 Bagot Rd  
Millner

## TAS

---

### Launceston

40 William St

### Moonah

7-9 Derwent Park Rd

